



**House Finance Committee
April 13th 2021**

Article 16 (Section 6) of FY 2022 Budget

**Statement by James Nyberg
Director, LeadingAge RI**

On behalf of our non-profit senior housing providers and other long-term care providers, we wish to express our support for Article 16 (Section 6) of the Governor's proposed budget. This proposal would create a dedicated funding stream to increase the supply of safe and healthy homes. In particular, there exists a critical shortage of housing for low-income older individuals, which has been documented in numerous reports, work groups, long-term care rebalancing initiatives, etc.

Rhode Island desperately needs sustained investments to create and preserve safe, healthy and affordable homes for older Rhode Islanders and other individuals. Years of underinvesting have left us far behind our New England neighbors, who have recognized that housing is a critical economic development issue and an important social determinant of health and community wellbeing.

A dedicated source of funding is necessary to produce housing on the scale needed in Rhode Island. The proposed method to generate this new revenue appears to be a sound pathway to achieving this goal, and is the most common revenue tool used nationally and in the Northeast. It is worth noting that Rhode Island is the only state in the Northeast (including NJ, NY and PA) without a dedicated funding stream that supports housing production.

For many years, there was no federal funding for new construction under the HUD Section 202 Senior Housing program, leaving a huge financing gap for developers interested in creating affordable housing for older people. While a small fraction of that funding has been recently restored, we still need additional sources of funding for the capital costs, and subsequent operating costs, of affordable senior housing. As such, we are hopeful that the Administration and General Assembly will consider the urgency and importance of targeting funds to special needs populations, including the low-income elderly, for creation and preservation of long-term affordable homes.

We appreciate that housing has emerged as a priority this session and this revenue stream initiative is a timely opportunity to address our senior housing needs in Rhode Island. Thank you for your attention to this important proposal.